

City of Beatrice

402-228-5200

400 Ella Street

Beatrice, Nebraska 68310

[illegible]

Subject: Electric Service Rate Adjustment Process P-SMBP-ED

We are in receipt of a notification of the Department to commence the process of making an electric service rate adjustment effective in January 2004.

1. When was the last increase as it affects the Pick-Sloan Missouri Basin Project?
2. It would appear that both the capacity and energy charges rising of 15+% exceed the normal rate increase as being adjusted by other electrical energy providers.
3. The tiered load factor rate increase certainly appears to be in excess of any realm of reality.

Recognizing that the notification is merely a notice and does not explain the reasons for the rate increase of this magnitude, when the system has long since been amortized and depreciated. It would certainly appear that with the low cost of dollars and a fully amortized system that the cost may only be increased to that level in which cost of living increases can be made applicable.

This letter is to merely inform you of our receipt of the notification of the meetings to be held and request reasons for those adjustments accordingly.

Sincerely yours,

James W. Bauer  
City Administrator

JWB:sw